



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of McDonald County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of McDonald County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Claire C. McCaskill".

Claire C. McCaskill  
State Auditor

Report No. 2002-74  
August 30, 2002

MCDONALD COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2001 AND 2000

# MCDONALD COUNTY, MISSOURI

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## FINANCIAL SECTION

## Independent Auditor's Reports

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS

To the State Auditor  
and  
County Commission of  
McDonald County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of McDonald County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of McDonald County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of McDonald County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of McDonald County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 17, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Original Signed by Auditor

McBride, Lock & Associates

May 17, 2002

McBRIDE, LOOK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the State Auditor  
and  
County Commission of  
McDonald County, Missouri

We have audited the special-purpose financial statements of various funds of McDonald County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of McDonald County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as finding number 01-1.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of McDonald County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of



one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of McDonald County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

May 17, 2002

## Financial Statements

MCDONALD COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 129,467	\$ 1,692,698	\$ 1,661,618	\$ 160,547
Special Road and Bridge	350,664	1,443,673	1,432,792	361,545
Assessment	337	159,045	163,050	(3,668)
Law Enforcement Training	2,064	6,325	11,663	(3,274)
Prosecuting Attorney Training	(2,766)	830	0	(1,936)
Health Department	(7,413)	233,324	216,417	9,494
Prosecuting Attorney Bad Check	6,721	22,710	21,636	7,795
Recorder's	41,773	9,874	25,108	26,539
Extradition and Transportation	(2,363)	9,292	8,425	(1,496)
Prosecuting Attorney Delinquent Sales Tax	1,097	780	1,254	623
Sheriff's Civil	454	19,442	11,544	8,352
Law Library	3,246	3,356	4,046	2,556
Circuit Court Interest	5,786	2,707	2,320	6,173
Recorder's Interest	692	97	461	328
Domestic Violence	1,035	1,665	2,229	471
DARE	1,098	3,718	3,049	1,767
911 Sales Tax	0	465,993	249,690	216,303
	<u>\$ 531,892</u>	<u>\$ 4,075,529</u>	<u>\$ 3,815,302</u>	<u>792,119</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MCDONALD COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 36,134	\$ 1,688,644	\$ 1,595,311	\$ 129,467
Special Road and Bridge	396,274	1,363,737	1,409,347	350,664
Assessment	3,312	152,314	155,289	337
Law Enforcement Training	749	10,336	9,021	2,064
Prosecuting Attorney Training	14	1,093	3,873	(2,766)
Health Department	(23,017)	223,691	208,087	(7,413)
Prosecuting Attorney Bad Check	1,556	22,371	17,206	6,721
Recorder's	33,618	10,723	2,568	41,773
Extradition and Transportation	4,974	6,589	13,926	(2,363)
Prosecuting Attorney Delinquent Sales Tax	1,834	2,750	3,487	1,097
Sheriff's Civil	(2,481)	13,974	11,039	454
Law Library	2,269	4,688	3,711	3,246
Circuit Court Interest	4,728	3,116	2,058	5,786
Recorder's Interest	570	139	17	692
Domestic Violence	920	2,465	2,350	1,035
DARE	1,758	4,564	5,224	1,098
River Patrol	61	0	61	0
	<u>\$ 463,273</u>	<u>\$ 3,511,194</u>	<u>\$ 3,442,575</u>	<u>531,892</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>TOTALS - VARIOUS FUNDS</u></b>						
RECEIPTS	\$ 3,545,158	\$ 3,604,153	\$ 58,995	\$ 3,432,787	\$ 3,504,165	\$ 71,378
DISBURSEMENTS	3,733,946	3,560,334	173,612	3,750,576	3,434,940	315,636
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (188,788)	\$ 43,819	\$ 232,607	\$ (317,789)	\$ 69,225	\$ 387,014
CASH, JANUARY 1	523,918	529,759	5,841	455,844	460,534	4,690
CASH, DECEMBER 31	<u>\$ 335,130</u>	<u>\$ 573,578</u>	<u>\$ 238,448</u>	<u>\$ 138,055</u>	<u>\$ 529,759</u>	<u>\$ 391,704</u>
<b><u>GENERAL REVENUE FUND</u></b>						
RECEIPTS						
Property taxes	\$ 418,882	\$ 450,226	\$ 31,344	\$ 350,644	\$ 380,640	\$ 29,996
Sales taxes	650,000	610,903	(39,097)	600,000	628,134	28,134
Intergovernmental	249,013	215,201	(33,812)	175,500	214,058	38,558
Charges for services	259,500	313,997	54,497	279,000	271,800	(7,200)
Interest	8,000	11,238	3,238	10,000	9,048	(952)
Loan proceeds	0	0	0	0	134,036	134,036
Other	27,250	81,821	54,571	166,686	50,928	(115,758)
Transfers in	7,000	9,312	2,312	57,000	0	(57,000)
Total Receipts	<u>\$ 1,619,645</u>	<u>\$ 1,692,698</u>	<u>\$ 73,053</u>	<u>\$ 1,638,830</u>	<u>\$ 1,688,644</u>	<u>\$ 49,814</u>
DISBURSEMENTS						
County Commission	\$ 81,840	\$ 81,471	\$ 369	\$ 60,340	\$ 59,314	\$ 1,026
County Clerk	79,268	79,606	(338)	80,227	78,667	1,560
Elections	29,000	27,422	1,578	62,750	71,428	(8,678)
Buildings and grounds	75,500	71,710	3,790	76,100	71,075	5,025
Employee fringe benefits	135,500	130,337	5,163	143,500	140,619	2,881
County Treasurer	30,300	28,898	1,402	30,150	29,027	1,123
County Collector	83,852	82,356	1,496	88,735	84,122	4,613
Ex Officio Recorder of Deeds	36,286	28,630	7,656	36,326	27,274	9,052
Circuit Clerk	14,800	9,408	5,392	14,800	10,260	4,540
Court administration	14,500	13,552	948	16,950	5,708	11,242
Public Administrator	27,000	42,470	(15,470)	6,800	6,258	542
Sheriff	280,242	298,348	(18,106)	226,788	228,400	(1,612)
Jail	228,766	279,726	(50,960)	218,376	220,968	(2,592)
Prosecuting Attorney	206,458	184,661	21,797	158,002	162,422	(4,420)
Juvenile Officer	30,996	24,852	6,144	18,298	21,208	(2,910)
County Coroner	18,100	16,145	1,955	13,930	12,230	1,700
General County Government	76,100	65,164	10,936	204,236	195,786	8,450
Civil Defense	4,485	2,564	1,921	4,922	2,581	2,341
Debt Service	66,384	66,383	1	48,500	47,442	1,058
Other	69,965	76,228	(6,263)	73,365	69,303	4,062
Transfers out	92,400	35,000	57,400	45,000	27,000	18,000
Emergency Fund	40,000	16,687	23,313	40,000	24,219	15,781
Total Disbursements	<u>\$ 1,721,742</u>	<u>\$ 1,661,618</u>	<u>\$ 60,124</u>	<u>\$ 1,668,095</u>	<u>\$ 1,595,311</u>	<u>\$ 72,784</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (102,097)	\$ 31,080	\$ 133,177	\$ (29,265)	\$ 93,333	\$ 122,598
CASH, JANUARY 1	129,467	129,467	0	36,134	36,134	0
CASH, DECEMBER 31	<u>\$ 27,370</u>	<u>\$ 160,547</u>	<u>\$ 133,177</u>	<u>\$ 6,869</u>	<u>\$ 129,467</u>	<u>\$ 122,598</u>

MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
RECEIPTS						
Property taxes	\$ 5,000	\$ 6,345	\$ 1,345	\$ 5,000	\$ 5,986	\$ 986
Sales taxes	580,000	614,135	34,135	566,000	605,185	39,185
Intergovernmental	741,020	793,199	52,179	688,000	702,216	14,216
Interest	8,000	12,665	4,665	15,000	9,118	(5,882)
Other	50,000	17,329	(32,671)	0	41,232	41,232
Total Receipts	\$ 1,384,020	\$ 1,443,673	\$ 59,653	\$ 1,274,000	\$ 1,363,737	\$ 89,737
DISBURSEMENTS						
Salaries	\$ 373,000	\$ 371,598	\$ 1,402	\$ 360,504	\$ 354,632	\$ 5,872
Employee fringe benefits	87,500	67,055	20,445	91,103	68,443	22,660
Supplies	75,000	102,421	(27,421)	57,000	30,029	26,971
Insurance	18,000	16,431	1,569	16,000	16,493	(493)
Road and bridge materials	516,000	528,247	(12,247)	276,000	359,245	(83,245)
Equipment repairs	106,000	83,775	22,225	70,000	76,299	(6,299)
Equipment purchases	34,000	27,426	6,574	120,000	8,000	112,000
Construction, repair, and maintenance	200,000	131,100	68,900	470,000	354,675	115,325
Debt service	81,025	85,845	(4,820)	58,054	58,054	0
Other	8,500	18,894	10,394	66,000	83,477	(17,477)
Total Disbursements	\$ 1,499,025	\$ 1,432,792	\$ 66,233	\$ 1,584,661	\$ 1,409,347	\$ 175,314
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (115,005)	\$ 10,881	\$ 125,886	\$ (310,661)	\$ (45,610)	\$ 265,051
CASH, JANUARY 1	350,664	350,664	0	396,274	396,274	0
CASH, DECEMBER 31	\$ 235,659	\$ 361,545	\$ 125,886	\$ 85,613	\$ 350,664	\$ 265,051
<b><u>ASSESSMENT FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 147,730	\$ 133,754	\$ (13,976)	\$ 130,000	\$ 129,597	\$ (403)
Interest	150	291	141	400	179	(221)
Other	4,071	0	(4,071)	3,462	538	(2,924)
Transfers in	25,000	25,000	0	40,000	22,000	(18,000)
Total Receipts	\$ 176,951	\$ 159,045	\$ (17,906)	\$ 173,862	\$ 152,314	\$ (21,548)
DISBURSEMENTS						
Assessor	\$ 176,651	\$ 163,050	\$ 13,601	\$ 176,737	\$ 155,289	\$ 21,448
Total Disbursements	\$ 176,651	\$ 163,050	\$ 13,601	\$ 176,737	\$ 155,289	\$ 21,448
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 300	\$ (4,005)	\$ (4,305)	\$ (2,875)	\$ (2,975)	\$ (100)
CASH, JANUARY 1	337	337	0	3,312	3,312	0
CASH, DECEMBER 31	\$ 637	\$ (3,668)	\$ (4,305)	\$ 437	\$ 337	\$ (100)

MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 7,200	\$ 6,325	\$ (875)	\$ 4,100	\$ 10,336	\$ 6,236
Total Receipts	\$ 7,200	\$ 6,325	\$ (875)	\$ 4,100	\$ 10,336	\$ 6,236
DISBURSEMENTS						
Sheriff	\$ 8,000	\$ 11,663	\$ (3,663)	\$ 4,100	\$ 9,021	\$ (4,921)
Total Disbursements	\$ 8,000	\$ 11,663	\$ (3,663)	\$ 4,100	\$ 9,021	\$ (4,921)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (800)	\$ (5,338)	\$ (4,538)	\$ 0	\$ 1,315	\$ 1,315
CASH, JANUARY 1	2,064	2,064	0	749	749	0
CASH, DECEMBER 31	\$ 1,264	\$ (3,274)	\$ (4,538)	\$ 749	\$ 2,064	\$ 1,315
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 2,800	\$ 830	\$ (1,970)	\$ 4,500	\$ 1,093	\$ (3,407)
Total Receipts	\$ 2,800	\$ 830	\$ (1,970)	\$ 4,500	\$ 1,093	\$ (3,407)
DISBURSEMENTS						
Prosecuting Attorney	\$ 0	\$ 0	\$ 0	\$ 4,500	\$ 3,873	\$ 627
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 4,500	\$ 3,873	\$ 627
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,800	\$ 830	\$ (1,970)	\$ 0	\$ (2,780)	\$ (2,780)
CASH, JANUARY 1	(2,766)	(2,766)	0	14	14	0
CASH, DECEMBER 31	\$ 34	\$ (1,936)	\$ (1,970)	\$ 14	\$ (2,766)	\$ (2,780)
<b><u>HEALTH DEPARTMENT FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 221,698	\$ 204,933	\$ (16,765)	\$ 226,765	\$ 198,670	\$ (28,095)
Other	52,000	18,391	(33,609)	58,550	20,021	(38,529)
Transfers in	17,400	10,000	(7,400)	5,000	5,000	0
Total Receipts	\$ 291,098	\$ 233,324	\$ (57,774)	\$ 290,315	\$ 223,691	\$ (66,624)
DISBURSEMENTS						
Salaries	\$ 133,485	\$ 131,179	\$ 2,306	\$ 128,683	\$ 126,599	\$ 2,084
Office expenditures	84,131	62,863	21,268	95,810	59,325	36,485
Equipment	1,600	1,361	239	4,500	2,912	1,588
Mileage and training	5,000	5,455	(455)	5,000	4,097	903
Fringe benefits	20,000	15,559	4,441	27,500	15,154	12,346
Other	0	0	0	2,500	0	2,500
Total Disbursements	\$ 244,216	\$ 216,417	\$ 27,799	\$ 263,993	\$ 208,087	\$ 55,906
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 46,882	\$ 16,907	\$ (29,975)	\$ 26,322	\$ 15,604	\$ (10,718)
CASH, JANUARY 1	(12,362)	(7,413)	4,949	(27,472)	(23,017)	4,455
CASH, DECEMBER 31	\$ 34,520	\$ 9,494	\$ (25,026)	\$ (1,150)	\$ (7,413)	\$ (6,263)

MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
RECEIPTS						
Charges for services	\$ 18,500	\$ 22,512	\$ 4,012	\$ 17,000	\$ 20,490	\$ 3,490
Interest	150	192	42	300	148	(152)
Other	0	6	6	0	1,733	1,733
Total Receipts	\$ 18,650	\$ 22,710	\$ 4,060	\$ 17,300	\$ 22,371	\$ 5,071
DISBURSEMENTS						
Prosecuting Attorney	\$ 11,800	\$ 21,636	\$ (9,836)	\$ 15,900	\$ 17,206	\$ (1,306)
Transfers out	7,000	0	7,000	0	0	0
Total Disbursements	\$ 18,800	\$ 21,636	\$ (2,836)	\$ 15,900	\$ 17,206	\$ (1,306)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (150)	\$ 1,074	\$ 1,224	\$ 1,400	\$ 5,165	\$ 3,765
CASH, JANUARY 1	6,721	6,721	0	1,556	1,556	0
CASH, DECEMBER 31	\$ 6,571	\$ 7,795	\$ 1,224	\$ 2,956	\$ 6,721	\$ 3,765
<b><u>RECORDER'S FUND</u></b>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 9,018	\$ (982)	\$ 10,000	\$ 9,722	\$ (278)
Interest	500	856	356	1,000	1,001	1
Total Receipts	\$ 10,500	\$ 9,874	\$ (626)	\$ 11,000	\$ 10,723	\$ (277)
DISBURSEMENTS						
Ex Officio Recorder of Deeds	\$ 33,500	\$ 25,108	\$ 8,392	\$ 13,100	\$ 2,568	\$ 10,532
Total Disbursements	\$ 33,500	\$ 25,108	\$ 8,392	\$ 13,100	\$ 2,568	\$ 10,532
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (23,000)	\$ (15,234)	\$ 7,766	\$ (2,100)	\$ 8,155	\$ 10,255
CASH, JANUARY 1	41,773	41,773	0	33,618	33,618	0
CASH, DECEMBER 31	\$ 18,773	\$ 26,539	\$ 7,766	\$ 31,518	\$ 41,773	\$ 10,255
<b><u>EXTRADITION AND TRANSPORTATION FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 13,000	\$ 9,292	\$ (3,708)	\$ 0	\$ 6,589	\$ 6,589
Total Receipts	\$ 13,000	\$ 9,292	\$ (3,708)	\$ 0	\$ 6,589	\$ 6,589
DISBURSEMENTS						
Sheriff	\$ 10,000	\$ 8,425	\$ 1,575	\$ 4,974	\$ 13,926	\$ (8,952)
Total Disbursements	10,000	\$ 8,425	\$ 1,575	\$ 4,974	\$ 13,926	\$ (8,952)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,000	\$ 867	\$ (2,133)	\$ (4,974)	\$ (7,337)	\$ (2,363)
CASH, JANUARY 1	(2,363)	(2,363)	0	4,974	4,974	0
CASH, DECEMBER 31	\$ 637	\$ (1,496)	\$ (2,133)	\$ 0	\$ (2,363)	\$ (2,363)



MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND</u></b>						
RECEIPTS						
Charges for services	\$ 2,500	\$ 305	\$ (2,195)	\$ 3,000	\$ 2,750	\$ (250)
Other	0	475	475	0	0	0
Total Receipts	\$ 2,500	\$ 780	\$ (1,720)	\$ 3,000	\$ 2,750	\$ (250)
DISBURSEMENTS						
Prosecuting Attorney	\$ 2,500	\$ 1,254	\$ 1,246	\$ 3,000	\$ 3,487	\$ (487)
Total Disbursements	\$ 2,500	\$ 1,254	\$ 1,246	\$ 3,000	\$ 3,487	\$ (487)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ (474)	\$ (474)	\$ 0	\$ (737)	\$ 237
CASH, JANUARY 1	1,097	1,097	0	1,834	1,834	0
CASH, DECEMBER 31	\$ 1,097	\$ 623	\$ (474)	\$ 1,834	\$ 1,097	\$ 237
<b><u>SHERIFF'S CIVIL FUND</u></b>						
RECEIPTS						
Charges for services	\$ 13,000	\$ 19,442	\$ 6,442	\$ 12,150	\$ 13,974	\$ 1,824
Total Receipts	\$ 13,000	\$ 19,442	\$ 6,442	\$ 12,150	\$ 13,974	\$ 1,824
DISBURSEMENTS						
Sheriff	\$ 13,212	\$ 11,544	\$ 1,668	\$ 9,416	\$ 11,039	\$ (1,623)
Total Disbursements	\$ 13,212	\$ 11,544	\$ 1,668	\$ 9,416	\$ 11,039	\$ (1,623)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (212)	\$ 7,898	\$ 8,110	\$ 2,734	\$ 2,935	\$ 201
CASH, JANUARY 1	454	454	0	(2,481)	(2,481)	0
CASH, DECEMBER 31	\$ 242	\$ 8,352	\$ 8,110	\$ 253	\$ 454	\$ 201
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 4,000	\$ 3,307	\$ (693)	\$ 2,000	\$ 4,632	\$ 2,632
Interest	56	49	(7)	0	56	56
Total Receipts	\$ 4,056	\$ 3,356	\$ (700)	\$ 2,000	\$ 4,688	\$ 2,688
DISBURSEMENTS						
Law library	\$ 3,400	\$ 4,046	\$ (646)	\$ 1,600	\$ 3,711	\$ (2,111)
Total Disbursements	\$ 3,400	\$ 4,046	\$ (646)	\$ 1,600	\$ 3,711	\$ (2,111)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 656	\$ (690)	\$ (1,346)	\$ 400	\$ 977	\$ 577
CASH, JANUARY 1	3,246	3,246	0	2,269	2,269	0
CASH, DECEMBER 31	\$ 3,902	\$ 2,556	\$ (1,346)	\$ 2,669	\$ 3,246	\$ 577

MCDONALD COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>CIRCUIT COURT INTEREST FUND</u></b>						
RECEIPTS						
Interest	\$ 1,600	\$ 2,707	\$ 1,107	\$ 1,600	\$ 3,116	\$ 1,516
Total Receipts	\$ 1,600	\$ 2,707	\$ 1,107	\$ 1,600	\$ 3,116	\$ 1,516
DISBURSEMENTS						
Circuit Clerk	\$ 2,400	\$ 2,320	\$ 80	\$ 2,900	\$ 2,058	\$ 842
Total Disbursements	\$ 2,400	\$ 2,320	\$ 80	\$ 2,900	\$ 2,058	\$ 842
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (800)	\$ 387	\$ 1,187	\$ (1,300)	\$ 1,058	\$ 2,358
CASH, JANUARY 1	4,847	5,786	939	4,478	4,728	250
CASH, DECEMBER 31	<u>\$ 4,047</u>	<u>\$ 6,173</u>	<u>\$ 2,126</u>	<u>\$ 3,178</u>	<u>\$ 5,786</u>	<u>\$ 2,608</u>
<b><u>RECORDER'S INTEREST FUND</u></b>						
RECEIPTS						
Interest	\$ 138	\$ 97	\$ (41)	\$ 130	\$ 139	\$ 9
Total Receipts	\$ 138	\$ 97	\$ (41)	\$ 130	\$ 139	\$ 9
DISBURSEMENTS						
Ex Officio Recorder of Deeds	\$ 500	\$ 461	\$ 39	\$ 600	\$ 17	\$ 583
Total Disbursements	\$ 500	\$ 461	\$ 39	\$ 600	\$ 17	\$ 583
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (362)	\$ (364)	\$ (2)	\$ (470)	\$ 122	\$ 592
CASH, JANUARY 1	739	692	(47)	585	570	(15)
CASH, DECEMBER 31	<u>\$ 377</u>	<u>\$ 328</u>	<u>\$ (49)</u>	<u>\$ 115</u>	<u>\$ 692</u>	<u>\$ 577</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Notes to the Financial Statements

MCDONALD COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of McDonald County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official or the 911 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Domestic Violence	2001, 2000
DARE	2001, 2000
River Patrol	2000
911 Sales Tax	2001

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff's Civil Fund	2000
Law Enforcement Training	2001, 2000
Prosecuting Attorney Bad Check Fund	2001, 2000
Extradition and Transportation Fund	2000
Prosecuting Attorney Delinquent Sales Tax Fund	2000
Law Library	2000

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

Warrants were issued in excess of the available cash for the following funds:

<u>Fund</u>	<u>Years Ended December 31</u>
Assessment	2001
Law Enforcement Training	2001
Prosecuting Attorney Training	2001, 2000
Health Department	2000
Extradition and Transportation	2001, 2000

Deficit budget balances are presented for the following fund:

<u>Fund</u>	<u>Year Ended December 31,</u>
Health Department Fund	2000

However, the budget of this fund also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted.

#### D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorders Fund	2001, 2000
Domestic Violence	2001, 2000
Law Library	2001, 2000
DARE	2001, 2000
Circuit Clerk Interest	2001, 2000
River Patrol	2001, 2000

## 2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

### Deposits

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the County's custodial banks in the county's name.

At December 31, 2001, the reported amount of the 911 Board's deposits was \$216,303 and the total of all bank balances including certificates of deposit was \$221,548. Of the bank balance \$100,000 was covered by federal depository insurance. No additional pledged collateral was maintained. Therefore, \$121,548 was uninsured and uncollateralized.

To protect the safety of county deposits, Section 110.020 RSMo 2000, requires that depositories to pledge collateral securities to secure county's deposits not insured by the Federal Deposit Insurance Corporation.

## Schedule

MCDONALD COUNTY, MISSOURI  
SCHEDULE OF FINDINGS  
YEARS ENDED DECEMBER 31, 2001 AND 2000

This schedule includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

01-1 County Road Monies

The prior audit disclosed that a balance of \$217,580 was due to the Special Road and Bridge Fund from county General Revenue. Our audit noted that there were no additional inappropriate deposits of funds into the General Fund from the Special Road and Bridge Fund. However the balance of \$217,580 has not been repaid. The county commissioners have again stated that they will repay the outstanding amount with interest when funds become available.

IT IS AGAIN RECOMMENDED THAT the county authorize a transfer of \$217,580 from the Special Road and Bridge fund to the county General Fund.



Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

MCDONALD COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by McDonald County, Missouri on the applicable finding in the prior audit report issued for the three years ended December 31, 1999.

County Road Monies

The county did not distribute a portion of the General Revenue Fund property tax collections to the road funds as authorized by a ballot approved by the voters.

Recommendation:

The County Commission should transfer \$217,580 from the General Revenue Fund to the Special Road and Bridge Fund and make the required allocation to the road funds on a periodic basis.

Status:

Not Implemented. See finding number 01-1.